
ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

1. Preamble

The Anti-bribery and Anti-Corruption Policy (“**Policy**”) of Housing Development Finance Corporation Limited (“**HDFC**”) has been developed in alignment with HDFC’s code of conduct for employees, various policies (including whistle blower policy, policy on management of conflict of interest), rules and regulations adopted by HDFC and in conformance with the legal and statutory framework of anti-bribery and anti-corruption legislation prevalent in India. The Policy reflects the commitment of HDFC and its management for maintaining highest ethical standards while undertaking open and fair business and culture, following the best practices of corporate governance and enhancing the HDFC’s reputation at appropriate levels.

2. Purpose

This Policy emphasizes HDFC’s zero tolerance towards bribery and corruption practices. The Policy provides necessary information and guidance on how to recognise and deal with bribery and corruption issues. The purpose of this Policy is to establish clear rules to ensure compliance with all applicable anti-bribery and anti-corruption laws.

3. Scope

This Policy applies to all Stakeholders, or any other person associated with HDFC and who may be acting on behalf of HDFC.

This Policy sets out the minimum standard that must be followed at all times. Where any local regulations are stricter than this Policy, they will take precedence over this Policy.

4. Definitions

- i. Bribe/ Bribery: means the offering, promising, giving, receiving, soliciting or accepting of a financial or other advantage, or any other thing of value, with the intention of influencing or rewarding the behaviour of a person in a position of trust to perform a public, commercial or legal function to obtain or retain a commercial advantage. Bribes are payments made in the form of money or anything of value in return for a business favour or advantage. For e.g. Gifts taken or received to unfairly influence a business outcome, facilitation payments made for facilitating the performance of a routine governmental action etc.
- ii. Facilitation Payments: Facilitation payments are unofficial payments made to secure or expedite a routine government action by a Government Official. These include small payments made, directly or indirectly, to Government Officials for the purpose of expediting or securing routine, non-discretionary government action, such as securing a business permit or license, customs invoice or visa, or providing services like police protection.
- iii. Family Member: A spouse, parent, sibling, grandparent, child, grandchild, mother or father-in-law, domestic partner (opposite sex or same sex), or other family member who lives with you or who is otherwise financially dependent on you, or on whom you are financially dependent.

- iv. Government Official: Government Official refers to any ‘public servant’ as defined under the Indian Prevention of Corruption Act 1988, including inter alia the following:
- an officer, employee, agent, or other individual, regardless of rank or title, acting in an official capacity for or on behalf of central government, state government, local authority or establishments under the control of such government (including any official adviser to the government), its departments, agencies, or instrumentalities, including government- or state-owned or controlled entities (e.g., national oil company, state-run utility, public hospital, sovereign wealth fund);
 - any judge, including any person empowered by law to discharge, whether by himself or as a member of any body of persons, any adjudicatory functions or any person authorized by a court of justice to perform any duty, in connection with the administration of justice, including a liquidator, receiver or commission appointed by such court;
 - Any other person holding an office by virtue of which he is authorized or required to perform any public duty;
 - an officer, employee, agent or other individual, regardless of rank or title, acting in an official capacity for or on behalf of a public international organization (e.g., the World Bank or the United Nations);
 - any political party, officer, employee, or agent of a political party, or party official; or
 - any candidate for political office.
- v. Stakeholders: Shall mean to include but not limited to individuals, directors, employees_working at all levels and grades (whether permanent, fixed term or temporary), consultants, contractors, trainees, seconded staff, casual workers and agency staff, interns, agents, business partners, vendors, service providers, suppliers, contractual staff, apprentices, direct selling agents, and any other person / entity acting for and on behalf of HDFC.

5. Policy framework

5.1. Bribes

- i. HDFC prohibits all forms of Bribery and corruption practices involving, but not limited to, Government Official or a private sector person or company.
- ii. HDFC conducts its business lawfully and ethically and expects every Stakeholder to conduct its business with integrity.
- iii. HDFC prohibits the making or accepting of Facilitation Payments of any kind for any favours to facilitate or expedite official business or work.

5.2. Gifts, hospitality and entertainment

- i. No gifts including cash gifts, hospitality or entertainment may be offered or provided in exchange for any favour (or promise of any favour) for or benefit to HDFC under any circumstances to any Government Official or any private person.
- ii. However, HDFC acknowledges that exchange of nominal gifts or souvenirs of a nominal value (e.g. bouquets, pens, calendars, diaries etc.) which are customarily given on special events/ occasions and are infrequent in nature. In any case, such gifts shall not be lavish or in the form of cash or cash equivalents, and any such instances and offers or receipt (whether accepted or not by any person directly or indirectly) should be immediately reported to the Head-Human Resources on rajivm@hdfc.com. All persons need to exercise sound judgment in identifying inappropriate, frequent or material gifts and shall avoid the same to maintain integrity and independence.
- iii. Reasonable and appropriate hospitality is not prohibited, if the person offering it is in attendance. However, it shall be strictly limited to meals as may be offered (to and/ or received) and only if it is reasonable and justifiable in all circumstances, taking into account reason and nature, appropriate type, value, given at an appropriate time and not made with the intention of influencing or to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits.
- iv. While conducting business abroad, employees are advised to seek legal advice or guidance of Head-Human Resources (on rajivm@hdfc.com) or Corporate Legal Department (on corplegal@hdfc.com) before giving or accepting gifts, as the giving or acceptance of gifts may be construed to be unlawful under the local laws.
- v. The giving or receipt of gifts by a Person is not prohibited, if:
 - a. It complies with this Policy and all applicable anti-bribery and anti-corruption laws;
 - b. There is a legitimate business purpose to support gifts related expenses and are not given or received in return for a favour / favourable treatment or to refrain from doing something disadvantageous to HDFC;
 - c. Considering, the reason and nature of the gift, it is of an appropriate type and value and given at an appropriate time; and
 - d. Gifts are not offered to or accepted from politicians or political parties or Government Officials.

5.3. Stakeholders

- i. As may be applicable, a Stakeholder appointed to act on behalf of HDFC must be selected on the basis of their commercial and technical expertise and HDFC's need for the products or services. No person or entity may be appointed on the basis of a relationship with a Government Official, government department or business associate, or because of a family connection or friendship. Prior to entering into a relationship, HDFC requires its employees to conduct appropriate due diligence in accordance with its procedures to ensure that such a stakeholder is a legitimate service provider and to identify circumstances suggesting that such stakeholder has not engaged or may not be engaging in illegal or unethical conduct. Any red flags discovered prior to commencement or during the course of the business relationship must be reported to the Head-Human Resources on rajivm@hdfc.com for further investigation. Should any employee / Person discover any illegal or unethical conduct by such stakeholder, he / she should report this to the Head-Human Resources on rajivm@hdfc.com at the earliest.
- ii. HDFC has zero tolerance for any conduct by any external entity in contravention of this Policy or any anti-bribery and anti-corruption law. HDFC and its employees may be subject to civil and / or criminal liability if such stakeholder, including contractors, suppliers, distributors, joint venture partners and other business partners, engage in any activity violating this Policy or any anti-bribery and anti-corruption law.
- iii. As may be applicable, a stakeholder, at the start of any relationship with HDFC are required to be in compliance with the applicable anti-bribery and anti-corruption laws and shall comply with this Policy.

5.4. Charitable Donations

- i. HDFC may make charitable donations that are legal and ethical under local laws and practices. It ensures that the charity or a support is for a legitimate cause, and that donations are not being used as a channel for Bribery.
- ii. Any Stakeholder may also, in their personal capacity, make donations that are legal and ethical under local laws and practices. However, it must be ensured that charitable contributions are not used as a scheme to conceal Bribery.

5.5. Political Contributions

HDFC does not make contributions to any political party or politicians. Stakeholders must not use HDFC's name or trademark for political activities of any kind or provide money or other forms of support to political parties on behalf of HDFC.

6. Restrictive Practices

Illustrative list of acts / practices that are restricted / prohibited under this Policy shall include but not be limited to:

- i. Dishonest misappropriation of property / money, criminal breach of trust and cheating, as defined under Indian Penal Code 1860 (“IPC”);
- ii. Receiving or giving bribe;
- iii. Acceptance / giving of gifts over and above the extent and the manner as allowed in this Policy;
- iv. Gifts on behalf of HDFC, its employees and other stakeholders in the form of cash or kind, in any currency;
- v. Charity or sponsorship in order to obtain commercial advantages;
- vi. Participation / contribution in / to political activities;
- vii. Payment of any costs for Government Officials and their relatives (or in their interests);
- viii. Any other unethical act or omission; and
- ix. To use partners, agents, joint ventures, intermediaries, or other persons for any actions that are contrary to the principles and requirements of the Policy or the rules of the applicable anti-bribery and anti-corruption law.

7. Record Keeping and Internal Controls

- i. HDFC shall keep books, records and accounts in reasonable detail that accurately and fairly reflect all transactions and disposition of HDFC’s assets.
- ii. HDFC shall maintain internal controls to prevent and detect potential violations of this Policy or of applicable laws. All Persons must completely and accurately document the amount of all transactions, including payments made on behalf of or expenses incurred by HDFC.
- iii. Records and documents generated in connection with the principles set forth in this Policy, including, but not limited to, any diligence files and contracting documents, must be maintained and stored.
- iv. Violation of this Policy, may result in legal action / disciplinary action.

8. Reporting Violations

- i. All Stakeholders are encouraged to raise concerns about any issue or suspicion of non-compliance with this Policy on rajivm@hdfc.com. If they are unsure whether a particular act constitutes Bribery or corruption, they should immediately contact the

concerned Business Head or Regional Business Head or Functional Head or Head-Human Resources.

- ii. HDFC aims to encourage genuine reporting of non-compliance and will support anyone who raises concerns in good faith under this Policy.
- iii. HDFC endeavours that no one suffers any detrimental treatment as a result of refusing to take part in Bribery or corruption, or because of reporting in good faith their suspicion of an actual or potential Bribery or other corruption related offence.
- iv. HDFC will investigate all allegations relating to corruption and Bribery and take legal or disciplinary action as may be deemed appropriate. All reports under this Policy would receive confidential treatment and HDFC would protect the identity of any person who reports a suspected violation. HDFC will prefer that persons identify themselves to facilitate investigation of any report. However, in case the concerned person wishes to report anonymously, he/she may do so. HDFC will also use its best efforts to protect the identity of the person about or against whom an allegation is brought, unless and until it is determined that a violation has occurred.
- v. Any use of the reporting procedures in bad faith or in a false or frivolous manner will be considered a violation of the code of conduct, and the reporter may be subject to disciplinary action, up to and including termination.

9. Training & Communication:

1. HDFC ensures that it has adequate procedures to combat threats relating to bribery and corruption. Accordingly, HDFC provides appropriate training for its employees on prevalent anti- bribery & anti-corruption laws, their role and importance; in order to be in conformance with legal requirements and be in compliance thereof.
2. A copy of this Policy is available on HDFC's website (www.hdfc.com).
